

By

SB. No. 559

A BILL TO BE ENTITLED

AN ACT

relating to the bonding or insurance requirements of a political subdivision for the issuance of certain plumbing permits.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 15, The Plumbing License Law (Article 6243-101, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 15. LOCAL [~~MUNICIPAL~~] RULES AND REGULATIONS. (a) Every city in this state of more than five thousand (5,000) inhabitants shall, and any city or town of this state may, by ordinance or by-law, prescribe rules and regulations for the materials, construction, alteration and inspection of all pipes, faucets, tanks, valves and other fixtures by and through which a supply of water, gas or sewage is used or carried; and provided that they shall not be placed in any building therein except in accordance with such rules and regulations; and shall further provide that no plumbing shall be done except in case of repairing of leaks, without a permit being first issued therefor upon such terms and conditions as such city or town shall prescribe; provided that no such ordinance, by-law, rule or regulation prescribed by any such city or town shall be inconsistent with this Act, or any rule or regulation adopted or prescribed by the State Board of Plumbing Examiners.

(b) A political subdivision that requires a master plumber

1 to have a bond before the master plumber may be issued a permit by
2 the subdivision shall also accept, instead of a bond, a certificate
3 of insurance that meets the requirements of Subsection (c) of this
4 section.

5 (c) A certificate of insurance must:

6 (1) be written by a company licensed to do business in
7 this state;

8 (2) provide for commercial general liability insurance
9 for the master plumber for claims for property damage or bodily
10 injury, regardless of whether the claim arises from a negligence
11 claim or on a contract claim; and

12 (3) be in a coverage amount of not less than \$300,000
13 for all claims arising in any one-year period.

14 SECTION 2. This Act takes effect September 1, 1995, and
15 applies only to a permit issued to a master plumber by a political
16 subdivision on or after the effective date of this Act. A permit
17 issued before September 1, 1995, is governed by the law as it
18 existed before the effective date of this Act, and the former law
19 is continued in effect for that purpose.

20 SECTION 3. The importance of this legislation and the
21 crowded condition of the calendars in both houses create an
22 emergency and an imperative public necessity that the
23 constitutional rule requiring bills to be read on three several
24 days in each house be suspended, and this rule is hereby suspended.

BILL ANALYSIS

Senate Research Center

S.B. 559
By: Patterson
Intergovernmental Relations
03-07-95
As Filed

BACKGROUND

Many cities in Texas require plumbers to secure a license and permit bond before issuing a permit. These bonds can reach up to \$5000 and are relatively easy to acquire, and generally have a minimum fee of \$50.

Many cities will not issue permits to contractors unless they have general liability insurance containing a completed operations clause. Frequently, contractors operating in and around the larger cities in Texas are insured in this manner and still may be required to purchase a license and permit bond in each town in which they do business.

It is commonly acknowledged that the insurance clearly provides more protection to the consumer and to the city than permit bonds do. Cities retain the right to refuse a permit to contractors who have failed to compensate for damages to the city or to a consumer.

PURPOSE

As proposed, S.B. 559 requires a political subdivision to accept a bond or a certificate of insurance from a master plumber before issuing a permit.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 15, Article 6243-101, V.T.C.S., as follows:

Sec. 15. New heading: LOCAL RULES AND REGULATIONS. (a) Created from existing text.

(b) Requires a political subdivision to accept a bond or a certification of insurance from a master plumber before issuing a permit.

(c) Requires a certificate of insurance to be written by a state licensed business, to provide for commercial liability insurance, and be in a coverage amount of not less than \$300,000 for all claims arising in any one-year period.

SECTION 2. Effective date: September 1, 1995.
Makes application of this Act prospective.

SECTION 3. Emergency clause.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session

February 22, 1995

TO: Honorable Rodney Ellis, Chair
Committee on Intergovernmental Relations
Senate
Austin, Texas

IN RE: Senate Bill No. 559
By: Patterson

FROM: John Keel, Director

In response to your request for a Fiscal Note on Senate Bill No. 559 (Relating to the bonding or insurance requirements of a political subdivision for the issuance of certain plumbing permits.) this office has determined the following:

No fiscal implication to the State is anticipated.

No significant fiscal implication to units of local government is anticipated.

Source: LBB Staff: JK, DF

S.B. No. 559

By PATTERSON

A BILL TO BE ENTITLED

AN ACT:

Relating to the bonding or insurance requirements of a political subdivision for the issuance of certain plumbing permits.

FEB 14 1995

FEB 15 1995

Filed with the Secretary of the Senate

Read and referred to Committee on INTERGOVERNMENTAL RELATIONS

Reported favorably _____

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by: { unanimous consent
_____ yeas, _____ nays

Read second time, _____, and ordered engrossed by: { unanimous consent
a viva voce vote
_____ yeas, _____ nays

Senate and Constitutional 3 Day Rule suspended by a vote of _____ yeas, _____ nays.

Read third time, _____, and passed by: { A viva voce vote
_____ yeas, _____ nays

SECRETARY OF THE SENATE

OTHER ACTION:

Engrossed

Sent to House

Engrossing Clerk _____

Received from the Senate

Read first time and referred to Committee on _____

Reported _____ favorably (as amended) (as substituted)

Sent to Committee on (Calendars) (Local & Consent Calendars)

Read second time (comm. subst.) (amended); passed to third reading (failed) by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of _____ yeas, _____ nays, _____ present, not voting.

Read third time (amended); finally passed (failed to pass) by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

Returned to Senate.

Returned from House without amendment.

Returned from House with _____ amendments.

Concurred in House amendments by a viva voce vote _____ yeas, _____ nays.

CHIEF CLERK OF THE HOUSE

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____
_____, _____, and _____

_____ House granted Senate request. House conferees appointed: _____, Chairman;
_____, _____, _____.

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by:

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____

{ a viva voce vote
_____ yeas, _____ nays